

SENATE BILL 2917  
By Graves

AN ACT to amend Tennessee Code Annotated, Title 62, relative to  
the licensing of home inspectors.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 62, Chapter 39, is amended by adding  
Sections 2 through 8 as a new part 4.

SECTION 2. This act shall be known and may be cited as the "Licensing of Home  
Inspectors Act".

SECTION 3.

(a) Tennessee Code Annotated, Section 62-39-201(a)(2), is replaced with: The  
commission shall consist of eleven (11) members, two (2) of whom shall be public  
members, one (1) of whom shall be a full-time educator of appraisal education, within  
the state's universities, colleges and junior colleges.

(b) Tennessee Code Annotated, Section 62-39-201(a)(3), is replaced with: Six  
(6) of the members shall be real estate appraisers and two (2) of the members shall be  
home inspectors.

(c) Tennessee Code Annotated, Section 62-39-201(g), is replaced with: The  
public members of the commission shall not be engaged in the practice of real estate  
appraising or home inspections.

SECTION 4. As used in this part unless the context requires otherwise:

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(1) "Commission" means the real estate appraiser commission established pursuant to Section 62-39-201.

(2) "Home Inspector" or "inspector" means any person or entity, who examines for a fee, any component of a dwelling, through visual means and through normal user controls, without the use of mathematical and/or engineering sciences. This does not include licensed tradespeople performing maintenance, repair or installation work, individuals acting in the capacity of insect infestation inspections and repairs due to that inspection or a real estate appraiser or banking official who is determining the value of the improved property or individuals acting in the capacity of a governmental employee or governmental agent or licensed professional architectural or engineering services or any professional person employed to inspect/review the aesthetic qualities of a house (i.e. interior designers, landscape architects).

(3) "Client" means any person who hires, for a fee, a home inspector's services.

(4) "Home inspection" or "inspection" means an inspection done on residential property of not more than four (4) dwelling units per building, including ancillary buildings as defined in the current Standards of Practice of the American Society of Home Inspectors.

(5) The "Purpose and Scope" and the "Limitations and Exclusions of a Home Inspection" have the meaning used in the current Standards of Practice of the American Society of Home Inspectors (ASHI).

(6) "Statement of Services" means a statement setting forth the inspection's omissions from the standards of practice and any other limitations, conditions, terms or provisions regarding the home inspection service and other services provided by the inspector. It shall also identify other services provided for an additional fee.

SECTION 5. No person shall perform a home inspection in the state without first obtaining a home inspector's license as defined in this act.

SECTION 6. The commission will issue a license for one (1) year provided the following requirements are met and a reasonable licensing fee has been paid to the commission:

(a) Certificate of passing the American Society of Home Inspectors test as administered by the commission.

(b) Insurance certificates for five hundred thousand dollars (\$500,000) errors and omission insurance for the current year.

(c) Insurance certificates for five hundred thousand dollars (\$500,000) liability insurance for property damage and the like for the current year.

(d) Be at least twenty-one (21) years of age.

(e) Having not violated any of the requirements of this act.

(f) Having not been convicted of an offense that bears directly on the fitness of the applicant to be licensed.

#### SECTION 7.

(a) No inspector shall accept or offer commissions or allowances, directly or indirectly, from or to parties other than the client, unless fully disclosed to the client in writing.

(b) No inspector shall offer to or perform repair or maintenance work on a property which he has inspected in the preceding twelve (12) months, nor shall he use the inspection to deliberately obtain work in another field or profession.

(c) No inspector shall accept compensation, financial or otherwise, from more than one interested party for the same service without the consent of all interested parties.

(d) An inspector shall disclose to his client any financial interest or any relationship which may affect the client's interest.

#### SECTION 8.

(a) An inspector shall provide a legible, written or other permanent report of the results of the inspection to the client within a reasonable period of time.

(b) The report shall include a copy of the statement of services.

(c) An inspector shall respect the client's rights of ownership of the inspection and disclose his findings to third parties only with the client's express consent.

SECTION 9. Tennessee Code Annotated, Sections 62-6-301, 62-6-302, 62-6-303 and 62-6-304, are deleted.

SECTION 10. For the purpose of appointing the new board members and promulgating any rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes this act shall take effect June 1, 1999, the public welfare requiring it.